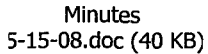


#2

Attachments: Minutes 5-15-08.doc



I am sorry to bother you over the weekend but since Terra has sent this email out to some unidentified larger group, I wanted to be sure you have it also. ACHC had intentionally provided detailed background information on the Condo Buydown program for your packet. This represents the past 18 months of our experience with the program. I am not sure there is much more to add. Terra attended our meeting in May to advocate for the program. I have attached the minutes to refresh your memories on the issue.

Nancy

>Terra Friedrichs

>978 266 2778
>978 808 7173 (cell)
>
>On Monday, the Acton Community Housing Corporation's annual oversight
>review will be held at the Board of Selectmen meeting. 7:20 pm, Rm 204.
>
>Please consider coming to the meeting to learn about the ACHC's efforts
>in promoting 40Bs and other affordable housing.
>
>I plan to applaud the ACHC's efforts to develop a condo buydown program
>that works and serves people that can't otherwise buy market rate. The
>program, in its infancy, currently serves folks that can buy market
>rate, but appreciate the help in buying their first home. Condo
>Buydown is a difficult road which is much harder for the ACHC to
>traverse than selling brand new 40B townhouses. But I believe it's
>been a good pilot and we learned a lot that will hopefully enable us to
>serve folks that can't buy market rate housing.
>
>Attached please find the ACHC's report for consideration.
>
>I plan to ask the BoS to ask the ACHC to:
>
>- concentrate more on CONDO BUYDOWN to: 1. take advantage of existing
>"tax-loss" units, 2. to serve more families at the same long term cost.
>- concentrate more on buying down condos that start with a market rate
>of \$115,000 to \$130,000, instead of concentrating on condos that start
>with a market rate of \$150,000 to \$170,000.
>- have all 40B projects go through the Design Review Board process
>- have a written review of any density bonus requests to increase
>awareness of what we are "giving" a developer...in the hopes that we
>can get more back from developers.
>- stop subsidizing 40Bs with CPA and other town monies. I believe that
>our CPA monies are better spent on condo-buydown of existing units.
>
>I plan to ask them to increase the CONDO BUYDOWN program beyond condos
>on sewers. I believe it unnecessarily restricts the program to a small
>set of condos in the sewer district. And I believe it restricts the
>program to higher cost condos, limiting the program to higher income
>folks that can easily buy market rate, without the government's help.
>
>As a result of only using sewer-based condos, we end up serving fewer
>people. If we could find a way to buydown the \$115,000 to \$130,000
>condos, I believe we'd reach more people...people that can't afford to
>buy on their own (market rate). But that will take a shift from the ACHC from "selling"
>new townhouses (easy) to converting existing condos (a pain).
>
>For this to happen, the BoS must encourage the ACHC to shift their focus.
>
>Please consider supporting these policy shifts...
>
>Terra
>
>***~***
>Terra Friedrichs
>978 266 2778
>978 808 7173 (cell)

ACTON COMMUNITY HOUSING CORPORATION

Pursuant to notice a Regular Meeting of the Acton Community Housing Corporation (ACHC) was held May 15, 2008 at 7:00 PM in room 126 of the Acton Town Hall. Present and constituting a quorum for the purpose of conducting business were: Dan Buckley, Naomi McManus, Nancy Tavernier and Bernice Baran and Pam Shuttle designated voting members for the Regular Meeting.

Guests:

Finance Committee Representative: Pat Clifford

Derick Veliz: Interested resident

Joe Levine and Ed Flannery- Developers of a South Acton Village Development

Selectwoman Terra Friedrichs

- 1). Nancy Tavernier, Chair, called the Regular Meeting to order at 7:00 PM.
- 2). Bernice Baran moved to approve the minutes of the Regular Meeting of May 1, 2008. Pam Shuttle seconded the motion and all members voted in favor.
- 3). Ms. Tavernier introduced Derick Veliz, an Acton resident who expressed an interest in the workings of the ACHC.
- 4). Avalon At Laurel Hills
Ms. Tavernier reviewed a letter sent to the Planning Board from Avalon at Laurel Hills regarding their decision that due to the current market conditions, particularly the current lack of sales in the 55 & older age-restricted housing segment, it was not feasible for them to begin construction of the development at this time. They are hopeful that the market conditions will change in the near future and therefore request a two year extension of the date of the Special Permit from August 8, 2008 to August 10, 2010.
- 5). South Acton Village Development Team
Joe Levine and Ed Flannery discussed their proposed development located on River Street. This is not a 40B and there is no requirement for affordable housing. They will be rehabbing the old storage building into 4 condo units plus constructing five (5) new homes adjacent to the building. The rehabbed building's first floor will have 2, three bedrooms, 1700 to 1800 sf., gas fire places, upscale appliances, granite counters and ceilings 12-14 ft high. The second floor will have 2, two bedrooms, 900 to 1000 sf and ceilings 12-14 feet high. They proposed to offer up to 2 of the two-bedroom condos for below market sales to households up to 120% of Area Medium Income (AMI is at \$85,800) with a selling price of \$210,000. The proposed development is located in the Historic District and therefore the rehabbing of the existing building's exterior must replicate the current exterior. The 5 single homes adjacent to the rehabbed building will be 2500 square feet and marketed in the mid \$600,000. The ACHC members thanked the development team for their proposed offer as that need for units targeted to

incomes up to 120% of the AMI was acknowledged in Acton's Housing Plan. As the plans develop the developers agreed to meet and update the ACHC in the future. The units would be restricted for future resales to be tied to the same income group. The developer will create a recordable covenant document for ACHC to review and approve.

6). Discussion of a Condo Buydown Program for Lower Income Households

Ms Tavernier introduced Ms. Friedrichs and asked her to explain the condo buydown program she proposed. Ms. Friedrichs explained what she was trying to establish an alternative plan for condo buydowns. She stated that she would like to see special needs adults with incomes of \$28,000 to \$35,000 be able to purchase condo units. Ms. Tavernier reviewed the process the Town/ACHC went through to develop the current Condo Buydown Program and the required approval process with the Department of Housing and Community Development (DHCD). She provided Ms. Friedrichs with a copy of DHCD's award letter dated April 2007 listing four main requirements for the condo buydown program. Ms. Tavernier detailed the following with Ms Friedrichs:

- 1). the condo buydown program is the ACHC's program
- 2). DHCD has to approve every step of the program
- 3). DHCD makes the final approval of each unit to allow it to count toward the Town's 10%. DHCD's guidelines for the Local Action Unit program requires an affirmative and fair marketing plan for households with incomes at or below 80% of the area median income (AMI)
- 4). Any proposal that serves a different income group than the guidelines may require a new application to DHCD from the ACHC
- 5). ACHC has a DHCD-approved set of criteria for selecting units. No electric heat is an ACHC preference approved by DHCD
- 6). Mortgages must be 30 year, fixed interest rate, no more than 2 points
- 7). Buyers must have 3% down payment and closing costs.
- 8). The ACHC provided Ms Friedrichs with a chart of Affordable Selling Prices per household income and accompanying affordability analysis for each income group.
- 9). ACHC provided a chart of currently available condo units that meet ACHC preferences showing the market price, the projected affordable price, the required ACHC subsidy and the percentage of subsidy.

10). To subsidize market prices of the condos units to household incomes of \$35,000 to \$45,000, ACHC would have to use \$65,000-\$93,000 per unit e.g. a 2BR unit in Parker Village at \$165,000 to be sold at \$100,000.

11). ACHC has a budget for the Community Housing Program Fund of \$170,000 for FY2009 and has committed \$40,000 to other programs which leaves a balance of \$130,000. This could subsidize 1 ½ condo units if the lower price were used.

12). ACHC's Housing Program Fund is funded with CPA money. The \$170,000 was appropriated for ACHC's use at the April town meeting. They are not transferable to another entity.

13). ACHC has agreed to get a ruling from DHCD in regard to a new condo buydown program serving only incomes 50% AMI or lower.

14). ACHC will ask Bank of America to prepare a generic mortgage pre-approval for a condo unit with \$300 a month condo fee. This pre-approval will determine the lowest possible income and credit-worthiness needed by low income household. Early feedback from Banker has ruled out households at incomes of less than \$35,000 for mortgages.

ACHC has been in contact with the Town of Boxborough who is currently doing affirmative marketing for a \$60,000 condo unit obtained through foreclosure. The lottery deadline is June 5. Boxborough will notify us about level of interest. To date there are no applicants.

The members pointed out that there were new LIP Regulations recently promulgated that limit the ability of the ACHC to target a program for the income households Ms. Fredericks' proposed. Ms. McManus explained that the Acton Housing Authority has had seven of its clients move from being in subsidized rental units to homeownership over the past few years. Ms Tavernier and Ms. Baran informed Ms Friedrichs that the Authority has two programs which enable the subsidized clients to save monies for down payment for their first home. Ms. Tavernier reviewed why the ACHC decided to put a hold their Condo Buydown Program as the members felt that it had been an arduous program to administer and the volunteer Board needed to put their energies in finalizing the Willow Central Project as well as the several projects before them, i.e. Blanchard Place, Old High School Commons, Steinberg-Lalli 442 Mass Ave, a Foreclosure LIP property and the remaining affordable two bedroom unit at Somerset Hills. The discussion ended as the ACHC had to move on with the rest of their agenda.

7). Willow Central

The landscaping and driveways have been completed, occupancy permit was held up due to a few of the final items to be completed. Ms. Tavernier felt that it would be very difficult to hold an Open House for all those who would be interested in a

tour due to parking constraints and the speed of new owners moving in. The ceremonial cutting of the ribbon and dedicated plaque acknowledging the grant from the Steinberg-Lalli Foundation will be held at the Acton Housing Authority's three bedroom duplex once they purchase their unit in June. Ms. Tavernier thought a visual tour could be sent to individuals who would like to see the finished bungalow and duplex. Derick Veliz offered do a Visual Tour and web site for the ACHC. The members expressed their sincere appreciation to Mr. Veliz and it was agreed that Ms. Tavernier would meet with him to show the three homes.

8). The Regular Meeting adjourned at 9:00 PM and the next meeting was scheduled June 5, 2008 at 7:00 AM.

Respectfully submitted,

Naomi E. McManus
Clerk